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13 June 1960

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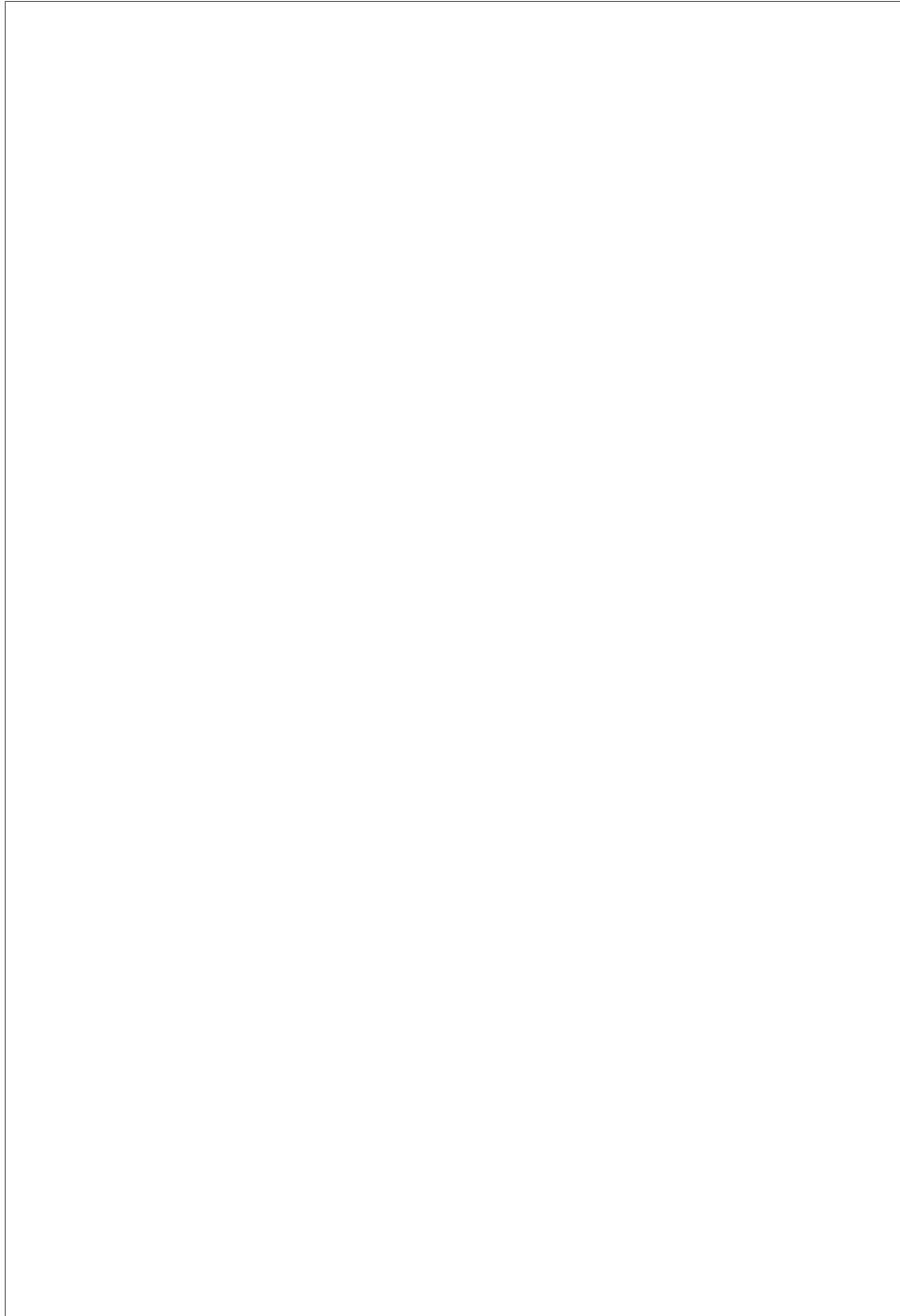
CENTRAL INTELLIGENCE BULLETIN



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13 JUNE 1960

I. THE COMMUNIST BLOC

Communist bloc moving to establish economic links with Mali before 20 June independence date.

Czechoslovakia extends \$20,000,000 to Cuba for industrial development.

II. ASIA-AFRICA

Japan--Diet recess proposed to permit cooling off; Sohyo calls general strike for 15 June.

Turkey--Power struggle may be developing within controlling military group.

III. THE WEST

Cuba--Castro calls oil companies' refusal to handle Soviet crude a provocative US move; hints at government takeover of refineries.

Sentiment increasing among UN delegates for postponement of General Assembly session until after US elections.

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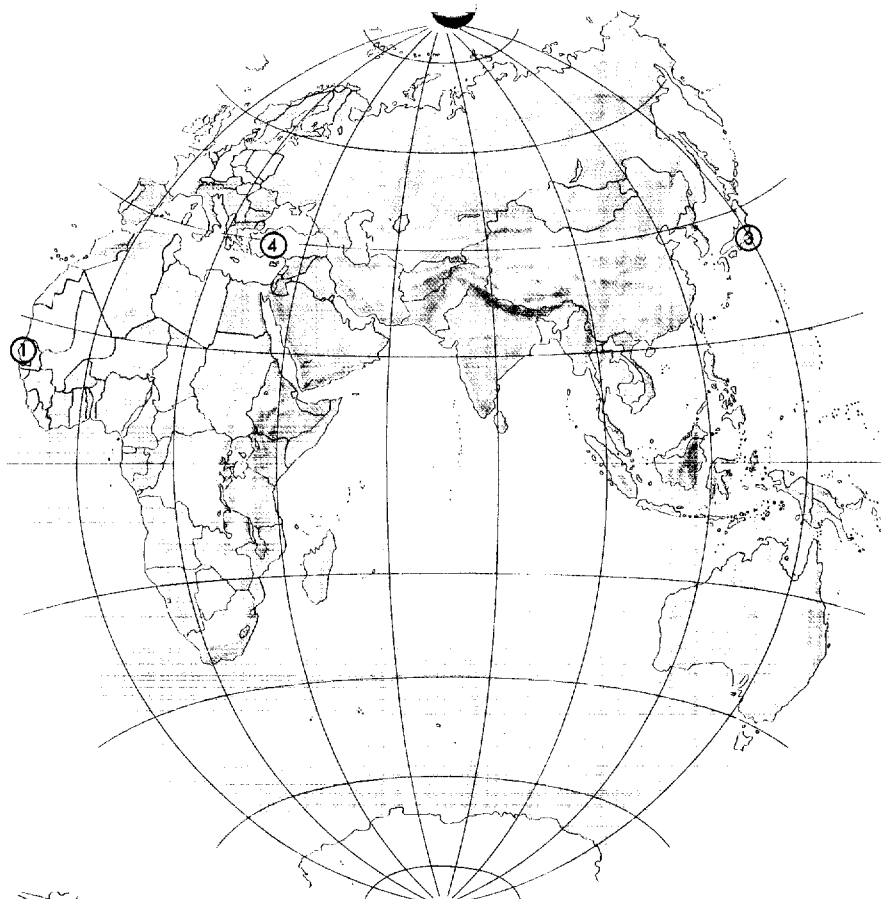
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⑦ Argentina--Military uprising reported in San Luis Province of western Argentina.



CENTRAL INTELLIGENCE BULLETIN

13 June 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

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NO- Friday's C.D.

Bloc-Mali: The bloc is moving quickly to establish economic ties with the Mali Federation in anticipation of the latter's independence on 20 June. A Czech representative recently visited Dakar to discuss the conclusion of trade and technical assistance agreements with Mali officials, who appear interested in the overtures. Should this initial probing meet with success, bloc leaders would probably make other similar offers--presumably including economic aid. [redacted]

[redacted] (Page 1)

OK- delete JP 6

Bloc-Cuba: In another move promoting close bloc-Cuban economic relations, Czechoslovakia has extended to the Castro government a \$20,000,000 credit for industrial development. A technical assistance agreement and a five-year trade pact also were concluded on 10 June. [redacted] The Czech foreign trade official responsible for negotiating military deliveries to nonbloc countries was in Havana at that time. [redacted]

[redacted] The Soviet diplomat who organized and ran the atomic spy ring in Canada from 1942 to 1945 reportedly will be named Moscow's ambassador to Havana. [redacted] (Page 2)

II. ASIA-AFRICA

OK

Japan: Takeo Miki, a leading party rival of Prime Minister Kishi, and an upper-house independent group have made proposals for a Diet recess to cool off the turmoil and provide a truce during President Eisenhower's visit. Ambassador MacArthur says there are some indications the Socialists desire to de-emphasize antitreaty activities, but that they have made no firm decisions on revising their campaign. The pro-Communist labor organization, Sohyo, has called for a general strike of

its membership on 15 June, and other demonstrations during the next few days are likely. Kishi appears still holding firm against pressures for his ouster and apparently hopes the extremist demonstrations will stimulate responsible Japanese to restrain the leftists. [redacted] (Page 4)

NO [redacted] Turkey: A power struggle may be developing in Turkey between those officers in the controlling military group who favor the Republican People's party and those who wish to explore other possibilities. The National Unity Committee reportedly has received many requests that it stay in power for the next four years. It seems clear that the new government will soon bring to trial leaders of the Democratic party, some of whom will probably receive the death penalty. Meanwhile, the seriousness of Turkey's financial condition is emphasized by the government's public appeal for donations of "money, gold, silver, and platinum." [redacted]

[redacted] (Page 6)]

III. THE WEST

NO Cuba: On 10 June, Fidel Castro called the refusal of three Western oil companies to refine Soviet crude a provocative US move to damage the Cuban economy and to force takeovers of the companies' Cuban refineries. An official of one of the US companies believes that no takeover will be made until Cuba is assured of assistance from other sources in maintaining its POL requirements. [redacted]

NO [redacted] United Nations: There is increasing sentiment among UN delegates for postponing the opening of the 15th session of the General Assembly from 20 September until after the US elections. Ambassador Lodge expects the issue to be resolved in the next few days. Precedent for postponement was established at the time of the US elections in 1956, and similar action this fall appears likely. [redacted]

[redacted] (Page 7)]

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DAILY BRIEF

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***Argentina:** A military uprising is reported to have taken place on 12 June in San Luis Province, about 400 miles northwest of Buenos Aires. The action appears to be limited to that province. The military leader of the revolt, retired General Fortunato Giovanoni, in a proclamation accused the Frondizi government of "Marxist and Communist tendencies." None of the top military commanders is known to be supporting the action. The senior commanders, who have majority support in the military establishment, oppose armed action to oust Frondizi despite the sharp rise in discontent in the armed forces in recent weeks over the continued terrorist bombing attacks attributed to the Peronistas.

13 June 6

DAILY BRIEF

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Czech Probing in Mali

The bloc is moving quickly to establish economic ties with Mali in anticipation of the latter's independence on 20 June. A Czech commercial representative who visited Dakar earlier this month as a guest of the Mali Federation of Senegal and Soudan proposed the conclusion of a barter-trade agreement and a technical assistance program with Mali after independence.

The representative suggested an exchange of Czech machinery and agricultural equipment for Mali's chief export, peanuts, and for phosphates and hides. Prague also offered at no cost to Mali to provide technical assistance, including training for Mali students and workers in Czechoslovakia and Czech experts who would be willing to work either in the capital or the interior of the Federation.

Mali officials appeared to be interested in the proposals, and Prague's spokesman indicated a Czech mission would come to Dakar in July or August to pursue the matter. A return visit might well provide the occasion for the presentation to Mali of some impact-type independence gifts from Czechoslovakia.

This initial probing in Mali repeats the opening gambit successfully employed by the bloc in 1958 toward Guinea. Mali's acceptance of the Czech overtures would encourage other bloc countries to offer expanded trade and presumably economic aid as well.

There are indications that Mali--the first of the 11 French Community states to obtain independence--is prepared to accept at least limited amounts of bloc aid. The Federation decided last month to include Moscow among the capitals to which it will send its first ambassadors. This decision was taken largely at the behest of Soudanese leaders, many of whom favor close ties with the bloc.

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Bloc Expanding Economic Ties With Cuba

In another move designed to promote closer bloc-Cuban economic relations, Czechoslovakia has extended the Castro government a \$20,000,000 long-term, low-interest credit, apparently to be used for industrial development purposes. The credit presumably will be repaid with commodities, possibly including iron ore, manganese, and nickel.

A technical assistance agreement providing for Czech technicians to work in Cuba was concluded at the same time. The agreement may well include provisions for Cuban students to take technical training in Czechoslovakia.

Czechoslovakia, formerly Cuba's chief trading partner in the bloc, also signed a five-year trade agreement with Havana. No official announcement as to the size of this pact was made, but it is unlikely that actual trade will be great, since Czechoslovakia cannot use large amounts of Cuban sugar. Castro indicated, however, that Cuba would exchange tobacco for Czech trucks.

Bloc economic credits to Cuba now total \$120,000,000. The USSR, Poland, and East Germany also have trade pacts with Cuba, and Communist China has made fairly large cash purchases of sugar this year.

In a television interview on 10 June, Castro praised Czech equipment and hailed this and other bloc economic agreements as facilitating an industrialization program under which machinery was already being purchased and installed in "70 factories." He foresaw a rosy economic future--including indigenous steel and oil industries--for Cuba if its people work hard to produce goods the revolutionary government can sell to conserve foreign exchange. Castro claimed that Cuba now has almost \$200,000,000 in foreign exchange reserves; he ignored the fact that half or more of this amount is owed--chiefly to US suppliers.

The Czech foreign trade official responsible for negotiating military deliveries to nonbloc countries was in Havana during the

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recent Czech-Cuban economic talks. The Czechs may well have made some arrangements to provide the Cuban Government with limited amounts of light arms--presumably obsolescent materiel that could not be definitely traced to its bloc origin.

Castro said in his television speech that nothing had been decided about the date of Khrushchev's visit to Cuba and intimated that he expected the Soviet leader to receive other Latin American invitations before setting a date. He expressed gratification over the attentiveness shown in Moscow to the Cuban commercial mission, including an honorary academic degree awarded to mission chief Jimenez, the director of the Cuban Agrarian Reform Institute.

Sergey Kudryavtsev, Soviet minister-counselor in Paris, reportedly will be named ambassador to Havana. Kudryavtsev has been identified as the intelligence officer who organized and ran the Soviet atomic spy ring in Canada from 1942 to 1945.

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The Situation in Japan

Takeo Miki, a leading party rival of Japanese Prime Minister Kishi, has made public a proposal for a Diet recess to provide a cooling-off period for President Eisenhower's visit. Miki's plan would require: the opposition Japanese Socialist party to acknowledge the validity of the extension of the Diet session and the lower house's approval of the US-Japanese security treaty; all parties to agree to resume participation in the Diet sessions; a general election after upper-house approval of the treaty, but before the US and Japan exchange ratifications; and Kishi to resign as soon as the Diet approves the treaty.

In a move parallel to Miki's proposal, an independent group in the upper house has renewed negotiations with the major parties for a ten-day "unconditional" truce covering the period of the President's visit. The proposal is designed to avoid the violence that is likely to result from a final vote in the upper house on the treaty--violence the independents feel would adversely affect the climate for the President's arrival.

The Japanese Socialists have said they will again use force to prevent an upper-house vote on the treaty. The government party may call for such a vote sometime between 14 and 17 June. Ambassador MacArthur, however, reports there are indications that the Socialists desire to de-emphasize antitreaty activities and concentrate on Kishi. While they may see in the maneuvers for a compromise an opportunity to retreat from their mass-resignation proposal, which will not affect ratification of the treaty, the party has not yet made any firm decisions on modifying its campaign of continuing demonstrations.

The largest Japanese labor organization, the pro-Communist Sohyo, is planning general strike action on 15 June. Sohyo is calling for 24-hour strikes by private industry unions and two- or three-hour work stoppages by public service workers, including transportation and communications employees. Union leaders hope the strikes will exceed the large-scale action of 4 June, but there is

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some doubt that the private unions will participate extensively. Sohyo leaders also may be restrained by their desire to avoid irritating the public excessively.

Prime Minister Kishi appears to be holding firm against pressures for his ouster. He and his supporters apparently hope the current demonstrations will arouse responsible Japanese, who constitute a majority, to restrain the leftist extremists. Kishi's response to any compromise proposal to calm the present turmoil probably will depend to a considerable extent on the strength of the public reaction to the demonstrations. The radical leftists almost certainly have been encouraged by the success of their demonstrations, and more are expected.

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New Turkish Regime May Face Power Struggle

Reports of disagreement within the military National Unity Committee (NUC) and an earlier report of confusion in command responsibility between Ankara and Istanbul suggest that a power struggle may be developing behind the scenes. While some of the officers apparently favor working closely with the Republican People's party of former soldier-statesman Ismet Inonu, another group reportedly led by Col. Alpaslan Turkes, chief of the President's Inner Secretariat, opposes restoring Inonu to power and is said to favor a more independent and nationalistic approach to politics. [redacted] fear there may also be similar differences with regard to Turkey's foreign policy.

The longer the elections are delayed, the greater will be the danger of disunity growing within the officer group controlling the government. General Tulga, military governor of Istanbul, stated recently that elections would not be held for at least six months. It may also be significant that he claimed there had been many civilian requests for the NUC to remain in power for the next four years.

The NUC, showing signs of increasing concern over the popular attitude toward itself and the leaders of the former regime, appears to be promoting the quick punishment of former government leaders in order to demonstrate the new government's right to rule. According to a senior National Security Service official, trials will probably be by mixed military-civilian courts and certain high-level Democratic party leaders will probably be executed.

The new regime apparently also faces very serious financial difficulties. The reserves which supposedly supported the national budget do not exist. Bad management, corruption, and alleged thievery have contributed to the financial problem. The severity of Turkey's financial crisis is emphasized by the government's recent appeal for donations of "money, gold, silver, and platinum."

[redacted]

[redacted]

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Possibility of Postponement of Next Fall's Opening of UN General Assembly

There is talk among UN delegates about postponing the opening of the General Assembly from 20 September until after the US elections. Thor Thors, head of the Icelandic delegation, told Ambassador Lodge on 9 June that such action would be in the general interest and that other delegations, particularly the Afro-Asians, were in favor of postponement. Thors felt that some of his Scandinavian colleagues were inclined to this view since the failure of the summit meeting. Lodge believes that much of the interest in postponement has been stimulated by the Soviet delegate.

According to British chief delegate Dixon, UN Secretary General Hammarskjold took a very negative attitude with Thors on 9 June when the latter broached the subject to him. Hammarskjold had previously expressed the opinion at a press conference on 2 June that, as matters stood, the session would open on time. He felt then that the need to reduce the cold war, evidenced by the strong Soviet protest to the Security Council on the U-2 plane incident, was an added reason against postponement. According to the Norwegian delegate, however, Hammarskjold will not take any action to oppose postponement.

In 1956, the opening of the 11th session of the General Assembly was postponed to 12 November; one factor in this decision was the fact that debate in the first stages of the 1952 session had been desultory, with many of the delegates marking time until the outcome of the US elections. Lodge expects the issue of postponement this year to come to a head in the next few days. Barring widespread sentiment against postponement, of which there are no indications at this time, chances seem fairly good for a repetition this year of the action taken in 1956.

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